

1
2
3
4
5
6
7
8 UNITED STATES DISTRICT COURT
9 CENTRAL DISTRICT OF CALIFORNIA
10

11 ZKEY INVESTMENTS, LLC,) CV No. 16-00782-RSWL-KS
12 Plaintiff,)
13 v.) ORDER Re: DEFENDANT'S
14 FACEBOOK INC.,) MOTION FOR SUMMARY
15 Defendant.) JUDGMENT [53]
16 _____)

17 I. INTRODUCTION

18 Currently before the Court is Defendant Facebook,
19 Inc.'s ("Defendant") Motion for Summary Judgment
20 ("Mot.") [53] against Plaintiff Zkey Investments, LLC
21 ("Plaintiff"). The Court, having reviewed all papers
22 and arguments submitted pertaining to this Motion, **NOW**
23 **FINDS AND RULES AS FOLLOWS:** Defendant's Motion for
24 Summary Judgment [53] is **GRANTED**.

25 ///

26 ///

27 ///

28 ///

II. BACKGROUND

A. Factual Background

Plaintiff's action alleges that Defendant's online networking services infringe on United States Patent No. 6,820,204 (" '204 Patent") in violation of 35 U.S.C. § 271.

Plaintiff is a limited liability company existing under the laws of Delaware with its principal place of business in New York. Compl. 1:5-7, ECF No. 1.

Plaintiff owns the '204 Patent, entitled "System and Method for Selective Information Exchange" and has the right to sue and recover damages for infringement thereof. Id. at 4:2-6. The '204 Patent's abstract describes the invention as follows:

A system and method for providing users with granular control over arbitrary information that allows for selective, real-time information sharing in a communications network such as the Internet is provided. In a network including a plurality of network devices operated by a plurality of users, a real-time information exchange system for sharing user profile information between respective users includes a database management system connected to the network. The database management system, which may be distributed across the network, stores the user profile information for a plurality of registered users of the

1 information exchange system. The user profile
2 information includes a plurality of data
3 elements, each data element having an
4 associated one of the plurality of registered
5 users. Each data element has an associated
6 group of users to whom access to the data
7 element has been granted, and users not
8 included in the associated group of users are
9 denied access to the data element. Each
10 registered user may selectively control the
11 granting and denying of access to each of its
12 associated data elements by other respective
13 users, on an element-by-element, and user-by-
14 user basis. Further, each registered user may
15 dynamically create its own data fields.

16 Id. at Ex. 1.

17 Defendant is a Delaware corporation with its
18 headquarters in Menlo Park, California. Id. at 1:8-9.
19 Defendant also maintains California offices in Los
20 Angeles and Woodland Hills. Id. at 1:10-11. Defendant
21 provides online networking services ("Facebook
22 Networking Services"), mobile applications, plug-ins,
23 and other tools in the United States. Id. at 2:27-3:2.
24 Facebook Networking Services are provided by a
25 multitude of Facebook-controlled servers, including,
26 but not limited to, web servers and database servers.
27 Id. at 3:2-4. Facebook's "mission is to give people
28 the power to share and make the world more open and

1 connected." Id. at 3:7-8. In order to achieve this,
2 various user profile information can be stored,
3 including "Work and Education," "Places You've Lived,"
4 "Contact and Basic Info," "Family and Relationships,"
5 "Details About You," and "Life Events." Id. at 3:8-11.
6 Users are allowed to limit access to this information.
7 Id. at 3:11-13. For example, users can limit access to
8 the "Address" portion of their "Contact and Basic Info"
9 user profile to the "Public," "Friends," "Close
10 Friends," "Family," or "Specific People or Lists,"
11 including the ability to deny particular users access.
12 Id. at 3:13-17.

13 Plaintiff alleges that Defendant's manufacturing
14 and uses of the system that implements Facebook
15 Networking Services infringes numerous claims of the
16 '204 Patent, including at least claims 1-2. Id. at
17 4:7-11. Claim 1 of the '204 Patent recites:

18 In a network including a plurality of network
19 devices operated by a plurality of users, a
20 real-time information exchange system for
21 sharing user profile information between
22 respective users:
23 a database management system connected to the
24 network and storing the user profile
25 information for a plurality of registered users
26 of the information exchange system, the user
27 profile information including a plurality of
28 data elements, each data element having

1 associated one of the plurality of registered
2 users; wherein each data element has an
3 associated subset of users to whom access to
4 the data element has been granted; and wherein
5 users not included in the associated subset of
6 users are denied access to the data element.

7 Mace Decl., Ex. 1. Claim 2 of the '204 Patent recites:

8 The information exchanging system of claim 1
9 further including:

10 a profile management application executing on
11 the information exchange system, the profile
12 management application providing each
13 respective user with facilities to selectively
14 control the granting and denying of access to
15 each of its associated data elements by other
16 respective users.

17 Id.

18 **B. Procedural Background**

19 On February 4, 2016, Plaintiff filed a Complaint in
20 the United States District Court, Central District of
21 California. In the Complaint, Plaintiff brings a claim
22 of patent infringement seeking injunctive relief and
23 damages in violation of 35 U.S.C. § 271. ECF No. 1.
24 On June 3, 2016, Defendant filed an Answer to
25 Plaintiff's Complaint. ECF No. 42.

26 On August 30, 2016, Defendant filed a Motion for
27 Summary Judgment of Invalidity under 35 U.S.C. § 101.
28 ECF No. 53. On August 30, Defendant also filed a

1 Statement of Uncontroverted Facts and Conclusions of
2 Law. ECF No. 54. On September 27, 2016, Plaintiff
3 filed an Opposition. ECF No. 57. On September 27,
4 2016, Plaintiff also filed a Statement of Genuine
5 Disputes. ECF No. 59. On October 11, 2016, Defendant
6 filed a Reply. ECF No. 60. On October 24, 2016,
7 Plaintiff filed an Objection to Defendant's New
8 Evidence First Submitted in Defendant's Reply to the
9 Motion for Summary Judgment. ECF No. 64. On October
10 25, 2016, Defendant filed a Response to Plaintiff's
11 Objection. ECF No. 65. On November 2, 2016, Plaintiff
12 filed a Notice of Supplemental Authority in Opposition
13 to Defendant's Motion. ECF No. 66.

14 III. DISCUSSION

15 A. Legal Standard

16 1. Summary Judgment Standard

17 Federal Rule of Civil Procedure 56 states that a
18 "court shall grant summary judgment" when the movant
19 "shows that there is no genuine dispute as to any
20 material fact and the movant is entitled to judgment as
21 a matter of law." Fed. R. Civ. P. 56(a). A fact is
22 "material" for purposes of summary judgment if it might
23 affect the outcome of the suit, and a "genuine issue"
24 exists if the evidence is such that a reasonable fact-
25 finder could return a verdict for the non-moving party.
26 Anderson v. Liberty Lobby, Inc., 477 U.S. 242, 248
27 (1986). The evidence, and any inferences based on
28 underlying facts, must be viewed in the light most

1 favorable to the opposing party. Twentieth Century-Fox
2 Film Corp. v. MCA, Inc., 715 F.2d 1327, 1329 (9th Cir.
3 1983). In ruling on a motion for summary judgment, the
4 court's function is not to weigh the evidence, but only
5 to determine if a genuine issue of material fact
6 exists. Anderson, 477 U.S. at 255.

7 Under Rule 56, the party moving for summary
8 judgment has the initial burden to show "no genuine
9 dispute as to any material fact." Fed. R. Civ. P.
10 56(a); see Nissan Fire & Marine Ins. Co. v. Fritz Cos.,
11 210 F.3d 1099, 1102-03 (9th Cir. 2000). The burden
12 then shifts to the non-moving party to produce
13 admissible evidence showing a triable issue of fact.
14 Nissan Fire & Marine Ins., 210 F.3d at 1102-03; see
15 Fed. R. Civ. P. 56(a). Summary judgment "is
16 appropriate when the plaintiff fails to make a showing
17 sufficient to establish the existence of an element
18 essential to [their] case, and on which [they] will
19 bear the burden of proof at trial." Cleveland v.
20 Policy Mgmt. Sys. Corp., 526 U.S. 795, 805-06 (1999);
21 Celotex Corp. v. Catrett, 477 U.S. 317, 322 (1986).
22 The standard "provides that the mere existence of *some*
23 alleged factual dispute between the parties will not
24 defeat an otherwise properly supported motion for
25 summary judgment; the requirement is that there be no
26 *genuine issues of material fact*." Anderson, 477 U.S.
27 at 247-48.

28 ///

1 2. Patent Eligibility Under 35 U.S.C. § 101

2 Patent-eligibility is a question of law. OIP
3 Techs., Inc. v. Amazon.com, Inc., 788 F.3d 1359, 1362
4 (Fed. Cir. 2015). Section 101 of the Patent Act
5 provides that a patent may be obtained for "any new and
6 useful process, machine, manufacture, or composition of
7 matter, or any new and useful improvement thereof." 35
8 U.S.C. § 101. The Supreme Court has "long held that
9 this provision contains an important implicit
10 exception: laws of nature, natural phenomena, and
11 abstract ideas are not patentable." Alice Corp. Pty.
12 v. CLS Bank, Int'l, 134 S. Ct. 2347, 2354 (2014). "The
13 concern that drives this exclusionary principle" is
14 "one of preemption." Id. In other words, the concern
15 is "'that patent law not inhibit further discovery by
16 improperly tying up the future use of' these building
17 blocks of human ingenuity." Id. (quoting Mayo
18 Collaborative Servs. v. Prometheus Labs, Inc., 132 S.
19 Ct. 1289, 1301 (2012)). The Supreme Court in Alice
20 warns courts, however, to "tread carefully in
21 construing this exclusionary principle lest it swallow
22 all of patent law," because "[a]t some level, 'all
23 inventions . . . embody, use, reflect, rest upon, or
24 apply laws of nature, natural phenomena, or abstract
25 ideas.'" Id. (quoting Mayo, 132 S. Ct. at 1293).

26 Under the two-step framework established in Alice
27 and Mayo, the court first asks "whether the claims at
28 issue are directed to one of those patent-ineligible

1 concepts," as opposed to "patent eligible applications
2 of those concepts." Id. at 2354-55. If so, the court
3 then "consider[s] the elements of each claim both
4 individually and 'as an ordered combination' to
5 determine whether the additional elements 'transform
6 the nature of the claim' into a patent-eligible
7 application." Id. at 2355 (quoting Mayo, 132 S. Ct. at
8 1297-98). In this second step, the court looks for an
9 "inventive concept," or "an element or combination of
10 elements that is 'sufficient to ensure that the patent
11 in practice amounts to significantly more than a patent
12 upon the [ineligible concept] itself.'" Id. (quoting
13 Mayo, 132 S. Ct. at 1294).

14 This standard is easier to articulate than it is to
15 apply. Modern Telecom Sys. LLC v. Earthlink, Inc., No.
16 SA CV 14-0347-DOC, 2015 WL 1239992, at *6 (C.D. Cal.
17 Mar. 17, 2015). "The line between a patentable
18 'process' and an unpatentable 'principle' is not always
19 clear," Parker v. Flook, 437 U.S. 584, 589 (1978), and
20 the Federal Circuit has referred to § 101 jurisprudence
21 as a "murky morass." MySpace, Inc. v. GraphOn Corp.,
22 672 F.3d 1250, 1259 (Fed. Cir. 2012) (suggesting, in
23 dicta, that "courts could avoid the swamp of verbiage
24 that is § 101" by addressing patentability defenses
25 under §§ 102, 103, and 112 before addressing patent
26 eligibility under § 101).

27 ///

28 ///

1 **B. Analysis**

2 1. The Claims of the '204 Patent Are Abstract and
3 Fail Under Step One of the Alice/Mayo Inquiry

4 As an initial matter, some courts have commenced
5 patent-eligibility analysis under § 101 by engaging in
6 claim construction to understand the subject-matter at
7 issue. However, claim construction is not required in
8 every § 101 analysis and in the current case before the
9 Court claim construction is not required.¹

10 Under the first step of the Alice/Mayo inquiry, the
11 Court must determine whether the patent claims at issue
12 are directed to an abstract idea. Defendant alleges
13 that the claims in the '204 patent are directed to an
14 abstract idea "of allowing individuals to manage and
15 selectively share with others items of information
16 about themselves." Mot. 1:10-12. Defendant argues
17 that the '204 Patent acknowledges that people have
18 selectively shared information with others about
19

20 ¹ Wolf v. Capstone Photography, Inc., No. 2:13-cv-09573,
21 2014 WL 7639820, at *5 (C.D. Cal. October 28, 2014); Bancorp
22 Servs., LLC v. Sun Life Assur. Co. of Can. (U.S.), 687 F.3d 1266,
23 1273-74 (Fed. Cir. 2012); Content Extraction and Transmission LLC
24 v. Wells Fargo Bank, Nat. Ass'n, 776 F.3d 1343, 1349 (Fed. Cir.
25 2014). Some courts have found that doing a § 101 analysis
26 without claim construction is an efficient use of court resources
27 and saves on litigation costs because claim construction is
28 needed before a § 101 analysis "'only where claim construction
disputes are relevant.'" Wolf, 2014 WL 7639820 at *6 (quoting
I/P Engine, Inc. v. AOL Inc., Nos. 2013-1307, 2013-1313, 2014 WL
3973501, at *12 (Fed. Cir. Aug. 15, 2014)). However, as neither
party brought up the issue of claim construction and the matter
can be resolved without claim construction, this is not an issue
the Court needs to address.

1 themselves without the aid of computer technology. Id.
2 at 2:18-25.

3 There is no clear rule or category that must be
4 analyzed in determining what constitutes an abstract
5 idea. Enfish LLC v. Microsoft Corp., 822 F.3d 1327,
6 1334 (Fed. Cir. 2016). The Supreme Court has not
7 established a definitive rule to determine what
8 constitutes an "abstract idea" sufficient to satisfy
9 the first step of the Alice/Mayo inquiry. Id. Rather,
10 courts have compared claims at issue to previous cases
11 in determining whether the claims at issue are directed
12 to an abstract idea. Id. at 1334-35.

13 To determine whether a claim is directed to an
14 abstract idea, courts must identify the purpose of the
15 claim, that is "what the claimed invention is trying to
16 achieve" and if that purpose is abstract. Cal. Inst.
17 Tech. v. Hughes Commc'ns, Inc., 59 F. Supp. 3d 974,
18 991-92 (C.D. Cal. 2014). Despite Plaintiff's efforts,
19 Plaintiff fails to convince this Court that the claims
20 in the '204 Patent are not abstract. Plaintiff's
21 description of the '204 Patent as a "networked, real-
22 time electronic information exchange system that
23 permits a user to exercise granular control over access
24 to specific data elements in a user profile stored by a
25 database management system" does not change the very
26 premise and purpose of the patent. Opposition (Opp'n)
27 11:10-13. The invention's purpose is to allow users to
28 have "granular control" over specific information that

1 is stored by a database. Users can then choose who is
2 granted and denied access to this information. The
3 information can be pre-populated, or users have the
4 option to create new categories of information for the
5 database to store, such as a favorite beer, as
6 Plaintiff suggests. Id. at 9:17-21. However, the
7 computer-related terms used by Plaintiff do not change
8 the purpose of the '204 Patent-users are able to have
9 control of what information is stored in the database
10 and who has access to the information as it is updated
11 in real-time.

12 Similar to Content Extraction and Transmission LLC
13 v. Wells Fargo Bank, Nat. Ass'n, 776 F.3d 1343, 1347
14 (Fed. Cir. 2014) cert. denied 136 S. Ct. 119 (2015),
15 claim 1 of the '204 Patent is directed to the abstract
16 idea of "1) collecting data, 2) recognizing certain
17 data within the collected data set, and 3) storing that
18 recognized data in a memory."² Claim 1 is directed at
19 providing a method for people to collaborate and share
20 information without the need for specialized software
21

22
23 ² Claim 1 of the '204 Patent states that "[i]n a network
24 including a plurality of network devices operated by a plurality
25 of users, a real-time information exchange, system for sharing
26 user profile information between respective users of the network
27 devices, comprising: a database management system connected to
28 the network and storing the user profile information....the user
profile information including a plurality of data
elements...wherein each data element has an associated subset of
users to whom access to the data element has been granted;
and...users not included in the associated subset of users are
denied access to the data element." Mace Decl., Ex. 1 at 64.

1 or expertise. Open Text S.A. v. Box, Inc., 78 F. Supp.
2 3d 1043, 1046-47 (N.D. Cal. 2015).

3 In In re TLI Communications LLC Patent Litigation,
4 823 F.3d 607, 611 (Fed. Cir. 2016), the court held the
5 claim in the patent was directed to an abstract idea
6 because images were classified and stored based on the
7 classification. The court noted that the server was
8 described "simply in terms of performing generic
9 computer functions such as storing, receiving, and
10 extracting data." Id. at 612. There is a difference
11 in a claim which focuses on an "improvement to computer
12 functionality itself" rather than a claim which is
13 simply implemented on a computer. Affinity Labs of
14 Texas, LLC v. DirecTV, LLC, 838 F.3d 1253, 1258-62
15 (Fed. Cir. 2016); Alice, 134 S. Ct. at 2358.
16 The court in Bascom Global Internet Srvcs., Inc. v.
17 AT&T Mobility LLC, 827 F.3d 1341, 1346 (Fed. Cir.
18 2016), noted that "filtering content" or "determining
19 who gets to see what" is a well-known "method of
20 organizing human activity" in step one of the
21 Alice/Mayo analysis. The court in Alice also held that
22 the concept of intermediated settlement without more
23 was also an abstract concept not patent-eligible. 134
24 S. Ct. at 2356-57.

25 Similarly, the remaining claims of the '204 Patent
26 are also directed towards an abstract, patent-
27 ineligible concept as they are mostly dependent claims
28 on claim 1 and are the means by which information is

1 collected, analyzed, and displayed based on the user's
2 granting or denial of access to other registered and
3 non-registered users.³ Electric Power Group, LLC v.

4 _____
5 ³ Claim 2 is dependent on claim 1 as it includes "a profile
6 management system, the profile management application providing
7 each respective user with facilities to selectively control the
8 granting and denying of access to each of its associated data
9 elements by other respective users." Mace Decl., Ex. 1 at 64.
10 Claim 3 is the system of claim 2 where "the user profile
11 information includes a set of pre-defined data fields" and where
12 the application is "adapted to dynamically create new data fields
13 for storing a new data element, upon the request of a registered
14 user." Id. Claim 5 is the system of claim 4 where the "database
15 management system" is connected to the network through a
16 "physical firewall" and adapted to store the information the user
17 inputs. Id. Claim 8 is the system of claim 4 where the
18 application provides each user with facilities to "push
19 individual data elements to respective users." Id. Claim 9 is
20 the system of claim 4 where at least one network device has
21 synchronization software which detects network connectivity and
22 downloads updated information about each user. Id. Claim 10 is
23 the system of claim 9 where the application gives each user
24 facilities to define views of the user's profile information
25 where each view includes at least one data element of the user.
26 Id. Claim 11 is the system of claim 10 where the application
27 gives each user facilities to define user groups where there is
28 at least one user in each group and each user can selectively
grant or deny members of each group access. Id. Claim 16 is an
independent claim similar to claim 1 and is a "database
management system" which stores a "subset of the user profile
data for a plurality of registered users of the information
exchange system, the first subset of profile information
including a plurality of data elements, each data element having
an associated one of the plurality of registered users; and a
first network server connected to the network and the first
database management system, the first network server including: a
first processor; and a first program memory connected to the
first processor and having program instructions stored therein,
the first processor being operable to execute the program
instructions, the program instructions: for each registered user,
selectively granting and denying access to each of the registered
user's associated data elements, to other users in the network."
Id. at 65. Claim 17 is the system of claim 16 where there is a
second database storing a second subset of the user profile data
for a plurality of users of the system with a second network
server, processor and program memory. Id.

1 Alstom S.A., 830 F.3d 1350, 1353-54 (Fed. Cir. 2016).
2 When information is analyzed by steps that people can
3 go through in their minds or by mathematical
4 algorithms, courts have found these are mental
5 processes that fall within the abstract concept
6 category of step one. Id. (citing see TLI, 823 F.3d at
7 613; Digitech Image Techs., LLC v. Elecs. for Imaging,
8 Inc., 758 F.3d 1344, 1351 (Fed. Cir. 2014); SmartGene,
9 Inc. v. Advanced Biological Labs., SA, 555 F. App'x
10 950, 955 (Fed. Cir. 2014); Bancorp Servs., LLC v. Sun
11 Life Assurance Co. of Canada (U.S.), 687 F.3d 1266,
12 1278 (Fed. Cir. 2012); CyberSource Corp. v. Retail
13 Decisions, Inc., 654 F.3d 1366, 1372 (Fed. Cir. 2011);
14 SiRF Tech., Inc. v. Int'l Trade Comm'n, 601 F.3d 1319,
15 1333 (Fed. Cir. 2010); see also Mayo, 132 S. Ct. at
16 1301; Parker v. Flook, 437 U.S. 584, 589-90 (1978);
17 Gottschalk v. Benson, 409 U.S. 63, 67, 93 (1972)).
18 While Walker Digital, LLC v. Google, Inc., 66 F. Supp.
19 3d 501, 515 (D. Del. 2014) is not binding precedent on
20 this Court, the court there makes a persuasive argument
21 regarding ideas that can be performed entirely in one's
22 own mind and finding that routine and conventional step
23 is not patentable subject matter. The Federal Circuit
24 in CyberSource, 654 F.3d at 1373, also held that
25 methods which can be performed in the human mind are
26 the very types of methods that embody "the basic tools
27 of scientific and technological work" free to all
28 persons. Furthermore, "merely presenting the results

1 of abstract processes of collecting and analyzing
2 information, without more (such as identifying a
3 particular tool for presentation), is abstract as an
4 ancillary part of such collection and analysis."
5 Electric Power Group, 830 F.3d at 1354. Claims 2-3, 5,
6 8-11, and 16-17 are claims derived from claim 1 whereby
7 the users are able to selectively choose who is granted
8 and denied access to their user profile information and
9 illustrate the results of collecting and analyzing
10 information and are also directed to an abstract
11 concept.

12 Plaintiff's argument that the '204 Patent is not
13 abstract is unpersuasive. It appears Plaintiff only
14 relies on Enfish and Bascom to support its contention
15 that the '204 Patent is not abstract. Plaintiff
16 asserts that when the claims of the '204 Patent are
17 viewed as a whole, they are directed to "concrete
18 improvements to database management systems for
19 electronic information exchange systems" and not
20 directed to an abstract idea. Opp'n 1:2-5. The claim
21 limitations clearly show that the system improves
22 computer functionality and does not implement just a
23 well-known economic practice using general computer
24 components. Id. at 1:5-8. The claims are "directed to
25 a real-time information exchange system with a database
26 management system that stores user profile information
27 for a plurality of networked users." Id. at 1:19-21.
28 Plaintiff also asserts the "database management system

1 provides customizable features specific to each user"
2 by giving "granular control" to each user in deciding
3 which elements may be accessed by other particular
4 users. Id. at 1:22-25. Not only can users determine
5 what information to share with specific users, a user
6 may also create "new user-defined data fields within
7 the database." Id. at 5:1-2. Plaintiff asserts the
8 limitations in claims 2-3, 5, and 8-11 all improve the
9 functionality of the system and are not directed to an
10 abstract idea. Id. at 14:1-11. Moreover, the fact
11 that users can create new data fields to store
12 information is an improvement over prior art systems
13 because the user has granular control over who can
14 access the information and what information is stored
15 in the database. Almeroth Decl. 19:18-25.

16 The claims of the '204 Patent are unlike the claims
17 in Enfish because here, the claims are not focused on
18 improvement to computer functionality but are more
19 focused and tailored to the use of computers "as tools
20 in aid of processes focused" on an abstract concept.
21 Electric Power Group, 830 F.3d at 1354; Enfish, 822
22 F.3d at 1335-36. And in Bascom, the court found that
23 filtering internet content is an abstract idea because
24 "it is a longstanding, well-known method of organizing
25 human behavior." Bascom, 827 F.3d at 1348. Plaintiff
26 has failed to show any genuine dispute as to any
27 material fact that the claims of the '204 are not
28 directed to an abstract concept and are therefore

1 patent-eligible subject matter under § 101. Therefore,
2 the Court finds that the claims of the '204 Patent are
3 directed towards the abstract idea of collecting,
4 storing, and sharing information of registered users
5 with other registered and non-registered users.

6 2. The Claims of the '204 Patent Fail to Add an
7 Inventive Concept and Fail Step Two of the
8 Alice/Mayo Inquiry

9 If the threshold determination that the claims are
10 directed to an abstract idea is met, we move to the
11 second step of the inquiry and "consider the elements
12 of each claim both individually and 'as an ordered
13 combination' to determine whether the additional
14 elements 'transform the nature of the claim' into a
15 patent-eligible application." Enfish, 822 F.3d at
16 1334-35 (quoting Mayo, 132 S. Ct. at 1297-98). Having
17 determined that the patent-in-suit is directed to an
18 abstract idea, the Court must determine whether the
19 patent includes "additional features to ensure that the
20 claim[s] [are] more than a drafting effort designed to
21 monopolize the abstract idea." Alice, 134 S. Ct. at
22 2357. "Those 'additional features' must be more than
23 'well-understood, routine, conventional activity.'" Ultramercial, Inc. and Ultramercial, LLC v. Hulu, LLC,
24 772 F.3d 709, 715 (Fed. Cir. 2014) (quoting Mayo, 132
25 S. Ct. at 1298). The "mere recitation of a generic
26 computer cannot transform a patent-ineligible abstract
27 idea into a patent-eligible invention." Alice, 134 S.

1 Ct. at 2358.

2 Defendant argues that the claims of the '204 Patent
3 do not add any inventive concept to turn the abstract
4 idea into a patent-eligible form. Defendant asserts
5 the claims merely "recite textbook examples of the
6 types of generic computer components that do not supply
7 inventive concept" as set forth in Alice. Mot. 13:23-
8 27. Claim 1 merely recites generic and conventional
9 computer terms such as "network," "network device," and
10 "database management system." Id. at 14:1-3.

11 Plaintiff argues that the '204 Patent is an inventive
12 concept in computer technology that overcomes existing
13 problems. Opp'n 18:8-9. The database management
14 system provides unique, customizable features to each
15 user such as giving them granular control over each
16 data element and the content of their profiles. Id. at
17 18:11-18. Prior systems did not adequately control
18 access to the user's information and did not give
19 granular control over their stored information. Id. at
20 19:8-10. Moreover, prior systems required multiple
21 databases, which resulted in information needing to be
22 updated in more than one database when a user wanted to
23 update information. Id. at 19:18-24. Additionally,
24 users can give access to the information to non-
25 registered users which is a significant advancement
26 over conventional information exchange systems because
27 it provides a "discrete user interface facility that
28 selectively associates data elements with authorized

1 users." Id. at 22:22-28.

2 Here, the claims of the '204 Patent are computer
3 functions that are "purely conventional." Alice, 134
4 S. Ct. at 2359 (quoting Mayo, 132 S. Ct. at 1298).
5 Despite Plaintiff's assertions that the claims
6 separately and when looked at in combination show that
7 the '204 Patent is a "networked, real-time information
8 system with a database management system that stores
9 user profile information for a plurality of network
10 users," it is similar to the case in Alice in that it
11 "amounts to electronic recordkeeping-one of the most
12 basic functions of a computer." Opp'n 18:10-12; Alice,
13 132 S. Ct. at 2359. The '204 Patent explains a system
14 whereby users input either pre-defined or "dynamically"
15 new user information and from that select either other
16 registered or non-registered users from whom may or may
17 not have access to the user's information. "[A]ll of
18 these computer functions are 'well-understood, routine
19 conventional activit[ies]' previously known to the
20 industry." Alice, 132 S. Ct. at 2359 (quoting Mayo,
21 132 S. Ct. at 1294). Claim 1 is merely a database
22 system connected to a network where information is
23 stored and each piece of information is connected to a
24 registered user and associated with a set of users who
25 have access to that specific piece of information.
26 Claim 2 further illustrates this with a "profile
27 management application" that each user can selectively
28 control who is granted and denied access to each piece

1 of information. Courts have held that a "generic
 2 computer technology allow[ing] for a more efficient
 3 process does not confer patent eligibility." Wolf,
 4 2014 WL 7639820 at *13. The remaining claims also do
 5 not add an inventive concept sufficient to transform
 6 this abstract concept into patent-eligible subject-
 7 matter.⁴ Alice, 134 S. Ct. at 2358; (quoting Mayo, 132
 8 S. Ct. at 1294).

9 Similarly, as in OIP Technologies, 788 F.3d at
 10 1362-64, the claims in the '204 Patent considered
 11 individually or as an "ordered combination" recite
 12 "'well-understood, routine conventional activit[ies],'
 13 either by requiring conventional computer activities or
 14 routine data-gathering steps" and do not "transform"
 15 the abstract concept into patent-eligible subject-

16
 17 ⁴ The fact that the system has pre-defined "data fields" for
 18 data users or that users can "dynamically create new data
 19 fields," is not an inventive concept. Moreover, claims 4 and 5
 20 describe multiple databases with one central database, which is
 21 nothing more than the routine steps in data-gathering and do not
 22 provide for an inventive concept. Claim 8 provides for
 23 "facilities" for users to "push" data to other users and claim 9
 24 is software to detect the network's connectivity and download
 25 information that has been inputted by a user, however Plaintiff
 26 fails to show how that is an inventive concept any different from
 27 conventional computer activities. Claims 10 and 11 also do not
 28 show an inventive concept as they describe limitations in
 providing users with "facilities" to define views and user groups
 of their profile information but do not describe how these
 limitations are actually implemented and in what way, if any,
 they provide for an improvement in computer functionality.
 Claims 16 and 17 also recite a generic computer with "mere
 instruction to 'implemen[t]' an abstract idea 'on...a computer'"
 which does not transform the abstract concept into patent-
 eligible subject-matter. Alice, 134 S. Ct. at 2358 (quoting
Mayo, 132 S. Ct. at 1301).

1 matter. Alice, 134 S. Ct. at 2358; (quoting Mayo, 132
2 S. Ct. at 1294). Utilizing a network to receive and
3 send information "is not even arguably inventive."
4 BuySAFE, Inc. v. Google, Inc., 765 F.3d 1350, 1355
5 (Fed. Cir. 2014).

6 The claims of the '204 Patent are different than
7 those of the patent in Bascom where the court held that
8 the patent there claimed a "technology-based solution
9 (not an abstract-idea-based solution implemented with
10 generic technical components in a conventional way) to
11 filter content on the Internet that overcomes existing
12 problems with other Internet filtering systems." 827
13 F.3d at 1351. Here, the claims of the '204 Patent do
14 not do the same as in Bascom. The claims in the '204
15 Patent merely recite how a computer is utilized to do
16 the conventional tool of recording data information
17 from a user, storing that data, and releasing the data
18 to an approved group of registered or non-registered
19 users chosen by the user whose information is stored.
20 The claims do not improve the functioning of a computer
21 itself, however merely describe a manner in which to
22 store and share information. Courts have held that
23 "generic computer implementation," such as claims that
24 add "interface," "network," and "database" is
25 insufficient to transform a patent-ineligible abstract
26 concept into a patent-eligible concept. Alice, 134 S.
27 Ct. at 2352-57; Affinity Labs, 838 F.3d at 1264; Mayo,
28 132 S. Ct. at 1297.

1 Plaintiff provided this Court with the Federal
2 Circuit's recent decision in Amdocs (Israel) Limited v.
3 Openet Telecom, Inc., No. 2015-1180, 2016 WL 6440387,
4 at *10 (Fed. Cir. Nov. 1, 2016), where the court held
5 that the patent did provide an inventive concept
6 because the components described in the patent were
7 arranged in such a way to "achieve a technological
8 solution to a technological problem specific to
9 computer networks." However, the case before us is
10 distinguishable from Amdocs. In Amdocs, the patent was
11 solving a problem relating to databases not being able
12 to handle the large amounts of data it was collecting.
13 Id. at *10-11. The patent allowed for efficiency and
14 smaller databases as opposed to one large database,
15 which had trouble managing all of its data. Id. It is
16 a solution specific to a problem with computer
17 networks. The claims in the '204 Patent are not a
18 solution specific to the functionality of computers.
19 The '204 Patent did not solve a problem of all network
20 information going to one location making it difficult
21 for the database to keep up with new information coming
22 in, nor did it reduce congestion in one large database
23 by creating smaller databases. Id. at *12.

24 Plaintiff has failed to show any genuine dispute as
25 to any material fact because when looked at
26 individually and combined, the '204 Patent and its
27 claims do not improve computer functionality and do not
28

1 add an inventive concept. Thus, the claims of the '204
2 Patent fail step two of the Alice/Mayo inquiry to be
3 patent-eligible subject matter under § 101, which
4 supports granting Defendant's Motion for Summary
5 judgment.

6 3. Plaintiff's Objections to Defendant's Reply and
7 Expert Declaration are Overruled

8 The Ninth Circuit has held that "appellants cannot
9 raise a new issue for the first time in their reply
10 briefs." Thompson v. C.I.R., 631 F.2d 642 (9th Cir.
11 1980). Where new evidence is presented in a reply, the
12 district should either not consider the new evidence,
13 or not consider it without giving the other party the
14 opportunity to respond. Provenz v. Miller, 102 F.3d
15 1478, 1483 (9th Cir. 1996). However, where evidence is
16 "submitted in direct response to proof adduced in
17 opposition to a motion" it is not "new." Edwards v.
18 Toys "R" Us, 527 F. Supp. 2d 1197, 1205 n.31 (C.D. Cal.
19 2007)(citing Terrell v. Contra Costa Cnty., 232 F.
20 App'x 626, 629 n.2 (9th Cir. Apr. 16, 2007)).

21 Plaintiff asks the Court to strike assertions
22 Plaintiff argues were first raised in Defendant's
23 Reply. Plaintiff does not make specific evidentiary
24 objections, instead Plaintiff merely argues Defendant
25 has included new arguments for the first time in its
26 Reply and requests those new arguments be stricken or
27 in the alternative Plaintiff be granted leave to file a
28 sur-reply. The first is a figure from J. Glenn

1 Brookshear's, Computer Science: An Overview (4th ed.
2 1994), in which Defendant argues this figure is similar
3 to the '204 Patent in its organization where
4 information is divided and is then "associated" by some
5 type of identifier such as an user identification.
6 Reply 2:15-4:9. Plaintiff argues Defendant should have
7 raised this in their Motion and not for the first time
8 in the Reply. Evid. Obj. 2:25-3:6. However, Defendant
9 raises this because of Plaintiff's argument in the
10 Opposition about how the claims of the '204 Patent,
11 specifically this figure, solves a prior problem of
12 "associating" each "data element" with a specific user
13 who has "granular control" over the information giving
14 the user control access to each "data element." Opp'n
15 4:14-25. Defendant's Reply is simply Defendant's
16 attempt to rebut and contradict Plaintiff's assertion
17 that the '204 Patent improves computer functionality.
18 Moreover, the Court did not rely on this figure in its
19 analysis and finding that the '204 Patent was directed
20 to an abstract idea and that the claims fail to provide
21 an inventive concept. Plaintiff's objection and
22 request to strike this argument and evidence or be
23 granted leave to file a sur-reply is overruled and
24 denied.

25 Plaintiff also objects to the Declaration of Dr.
26 Michael Shamos and the five pieces of evidence Dr.
27 Shamos relies on including textbooks and other patents
28

1 Defendant filed with its Reply. Plaintiff argues this
2 also should have been included in Defendant's Motion.
3 Evid. Obj. 3:7-12. However, this was done to
4 specifically attack Plaintiff's expert and the
5 arguments Plaintiff raised in its Opposition about how
6 the claims of the '204 patent improved prior systems.
7 Defendant's Reply provided evidence to rebut
8 Plaintiff's assertions. Dr. Shamos' Declaration
9 attacked Plaintiff's expert with rebuttal evidence.
10 Defendant did not provide "new" evidence. Local Rule
11 7-10 provides the timeline of when "Reply Papers" which
12 include a reply memorandum, declarations, or other
13 rebuttal evidence must be served and filed. The very
14 fact that Defendant included a declaration of its own
15 expert in its Reply is not grounds to strike the
16 Declaration or grant Plaintiff leave to file a sur-
17 reply. Additionally, the Court did not rely on or
18 utilize Dr. Shamos' Declaration in its analysis and
19 finding that the '204 Patent was directed to an
20 abstract idea and that the claims fail to provide an
21 inventive concept. Plaintiff's objection and request
22 to strike this argument and evidence or be granted
23 leave to file a sur-reply is overruled and denied.

24 ///

25 ///

26 ///

27 ///

28

1 **IV. CONCLUSION**

2 Accordingly, the Court **GRANTS** Defendant's Motion
3 for Summary Judgment [53].

4 **IT IS SO ORDERED.**

5
6 DATED: December 2, 2016 s/ RONALD S.W. LEW
7 HON. RONALD S.W. LEW
8 Senior U.S. District Judge
9
10
11
12
13
14
15
16
17
18
19
20
21
22
23
24
25
26
27
28